DOCUMENT RESUME

ED 463 781 JC 020 286

TITLE	Ladders of Opportunity.
INSTITUTION	California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE	2001-07-26
NOTE	24p.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Career Development; *Career Ladders; *Community Colleges; *Cooperative Programs; Economic Development; Job Training; *Labor Force Development; Low Income; *Occupational Mobility; Salaries; *Statewide Planning; Two Year Colleges; Vocational Education; Wages
IDENTIFIERS	California; *California Community Colleges

ABSTRACT

This report addresses the California Community Colleges Board of Governors' Initiative for Developing California's New Workforce. The report argues that many workforce training programs are still based on obsolete paradigms. Rather than offering the long-term skills and career development necessary to succeed in a high-performance workplace, these programs provide only limited preparation designed to help individuals into entry-level jobs. The result of this "work first" policy is the rapid growth of a new class of low-income wage earners whose skills are largely irrelevant to many of the new economy's employers. Many of this new class are former recipients of welfare. These are often the people most in need of the quality education and training community colleges can provide. The report suggests that workers need to be trained for more than a job--they must gain the skills that enable them to build a career. Career ladders are long-term career progression pathways that help people advance, particularly in high-wage, high-growth careers. Creating a career-ladder system will require new kinds of partnerships among employers, workforce development agencies, community colleges, and community organizations. The report argues for creating a single, unified system that reflects California's new economy. (NB)

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LADDERS of OPPORTUNITY

A Board of Governors' Initiative
For Developing California's New Workforce

July 26, 2001

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2

Acknowledgments

The Board of Governors thanks the following for their contributions to the preparation of this report: Chancellor Tom Nussbaum, Vice Chancellor Victoria Morrow, Dan Bixler, Doug Brown, David Gribbon, Eric Alexander, Ed Connolly, Linda Collins, Marchelle S. Fox, Phaedra V. Ellis-Lamkins, Susan B. Clifford and Steven Levy.

The Board of Governors also thanks the faculty and staff at San Francisco City College and West Los Angeles College for their valuable assistance.

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A Special Message from the Hon. Alexis Herman

Soon after completing college one of my first jobs was as an employment counselor in my hometown of Mobile, Alabama. Each day I would meet with dozens of jobless youths. Many of them were living with their families at a nearby public housing project.

These young people had grown up knowing only hardship, but there wasn't one who was looking for any kind of handout: all they wanted was to work. Listening to each of them was to know that their hearts yearned for nothing more than the chance to get a job, work hard and earn the opportunity to share in the American Dream.

Years later, as Secretary of Labor, I was often confronted with the struggle today's generation of workers are facing to make their American dreams come true.

As you'll read in *Ladders of Opportunity*, today even the most diligent young worker is at risk of being left behind if his or her skills and training aren't keeping pace with the demands of today's new economy. Where, in the past, virtually everyone with a high school diploma could hold down entry-level jobs in labor-intensive industries, in today's new economy a high school education won't even get them in the door. That's particularly true in telecommunications, biotechnology and other high-tech fields.

However, making it in the new economy isn't simply a matter of knowing about computers: it's knowing how the information computers provide can be used to solve problems. In this respect, getting ahead – and staying ahead – in the new economy will depend far less on how well we work our hands and more on how well we work with our minds.

Helping Americans succeed in this economy calls for a new approach to job training: an approach that makes training an ongoing process over the course of an individual's entire working life. It calls for a systems approach that brings employers, educators and workers together to create ladders to the high skill careers workers want and that employers want to offer. And what better setting could there be for this new approach to workforce development than a local community college?

California has long enjoyed a well-deserved reputation as a trendsetter in American life. With *Ladders of Opportunity* you're reminding us why. Just as we wouldn't train prospective software engineers by teaching them how to operate a lathe, we can't prepare workers for the new economy with a system designed for the old. This report presents a compelling for reengineering the worker training process into a lifelong, seamless system designed to meet the real needs of workers and employers alike in the 21st century.

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Table of Contents

A Special Message From the Hon. Alexis Herman

Foreword 3

New Opportunities, New Skills and a New Economy 4

The Worker Training Treadmill 5

Career Ladders 7

Community Colleges and Career Ladders 8

The New Economy and California's Workforce Development System: Key Operating Principles 10

A Unique Opportunity For Action 11

The Centrality of Community Colleges 12

New Opportunities, New Challenges 15

Recommendations for a Systems Approach to Career Ladders 16

1) Allocate Resources to Promote the Career Ladders Approach 16

2) Provide Needed Strategic Assistance 17

3) Develop Uniform Performance Measures 17

4) Create an Innovation Fund 18

5) Craft Collaboration Action Plan 19

6) Develop Comprehensive Implementation Plan for the Career Ladders Initiative 19

Conclusion: Building California's New Workforce 20

FOREWORD

At its February, 2001 policy retreat, the Board of Governors of California's Community Colleges identified six critical priorities for the forthcoming year. These priorities included:

- *Increasing public awareness of, and support for, community colleges;*
- *Developing initiatives to bolster the contribution of California's community colleges in workforce preparation and economic development;*
- *Advocating on behalf of the Fiscal Year 2001-2002 system budget package and developing future budget proposals that better address the needs of California's changing economy;*
- *Improving performance monitoring throughout the system and strengthening accountability;*
- *Actively participating in the review of the system's master plan;*
- *Working with the chancellor to expand faculty and staff development, to promote better utilization of the system's human resources and to offer a proactive response to its need not only for additional personnel, but also for a more diverse workforce.*

Ladders of Opportunity speaks to the second priority described above: strengthening the contribution of California's community colleges to workforce training and economic development.

The initiative outlined in the following pages was carefully crafted through a process which included a public study session on March 28, 2001 at San Francisco City College, the preparation of an initial draft proposal by specialists both from within and outside the community college system, and a second public hearing on April 30, 2001 at West Los Angeles College.

The initial framing document, which presented the central concepts that will drive this initiative, was reviewed by the Board of Governors at meetings on May 14-15, 2001 and July 9-10, 2001. In turn, the Board of Governors has embraced the following analysis and recommendations, and is currently developing specific budget proposals for fiscal year 2002-03 to begin their implementation.

New Opportunities, New Skills and a New Economy

Throughout the course of our state's history, motivation and hard work were often all most workers needed to prosper in California's economy. As recently as ten years ago, the vast majority of employers, in California and nationally, agreed that finding workers with a "good work ethic" and other positive personal traits was their chief human resources concern.[1]

Moreover, if the quality of a worker's skills and training was of relatively little importance at the time of his or her hiring, it was even less important to businesses afterwards. In 1991, only eight percent of U.S. employers offered entry-level training to newly hired workers, according to the Paris-based Organization for Economic Cooperation and Development (OECD). By comparison, 72 percent of German employers provided such training as did 79 percent of Japanese firms. However, during the last decade, the perspective of American employers has radically changed.

Faced with the challenge of succeeding in a highly competitive global economy business leaders increasingly value the inventory of skills prospective employees can bring to their workplace. These skills not only include proficiency with complex new technologies or industrial processes, but also the ability to learn and adapt to change in the future. As a result of this trend the relationship between education and earnings is growing even more pronounced, with higher wages now routinely linked to some form of post-secondary education and training.

The growth of California's new economy is also reflected in a far less stable relationship between workers and their employers. For example, the average tenure in jobs is steadily decreasing and is now down to three years.[2] Part of this is explained by "job churning" as the number of business start-ups and failures soar. This phenomenon has been particularly prevalent in California.[3] Additionally, many businesses, especially in high technology, have rejected maintaining a large, permanent workforce in favor of informal networks of subcontractors. By subcontracting, these businesses are not only able to use workers on an "as needed" basis, but also gain the benefit of the subcontractors' outside experience. However, while this approach has given firms added flexibility and promoted innovation, it has also undermined their ability to train and promote skilled workers from within their

"The relationship between education and earnings is growing even more pronounced with higher wages now routinely linked to some form of post-secondary education and training."

[1] G. Hamel and C.K. Prahalad, "Competing for the Future," Harvard Business School Press, 1994.

[2] Chris Benner, Bob Brownstein and Amy Dean; "Walking the Lifelong Tightrope: Negotiating Work in the New Economy," a joint publication of Working Partnerships USA and the Economic Policy Institute, 1999.

[3] State New Economy Index, Progressive Policy Institute, July 1999.

"As new businesses, products, services and industrial processes emerge, California's workforce must rapidly adjust to new demands to remain competitive."

own ranks. As a result, many employers report continuing difficulty in locating high-skilled workers in a range of technical fields.

Clearly, California's success in the new economy will hinge on the ability of employers to secure the services of workers with greater knowledge, in greater numbers, and in more business sectors than ever before.

This challenge will become even more significant as other states attempt to replicate California's early success in fostering the growth of information technologies, biomedical research and the other industries of the new economy.

As new businesses, products, services and industrial processes emerge, California's workforce must rapidly adjust to new demands to remain competitive. This will require not only fundamental skills in reading and writing, or even the specialized skills unique to a specific occupation, but also the skills necessary to fully participate in a firm committed to innovation:

- Effective oral communications;
- Mathematical reasoning;
- Critical thinking;
- Problem-solving skills;
- Interpersonal skills;
- The ability to plan and organize; and
- A commitment to continuous learning.[4]

Against this backdrop, Californians will require a higher level — and a broader range — of skills than ever before to take advantage of the new economy's many opportunities. Achieving that will require continuous training and greater individual responsibility for career progression than has ever been required before.

The Worker Training Treadmill

Unfortunately, many workforce training programs are still based on obsolete paradigms. Rather than offering the long-term skills and career development necessary to succeed in a high-performance workplace, these programs instead provide only limited preparation designed to help individuals into entry-level jobs. The result of this "work-first" policy is the rapid growth of a new class of low-income wage earners whose skills are largely irrelevant to many of the new economy's employers. Tragically, many of the Californians who belong to this new class are former welfare recipients who are most in need of the quality education and training community colleges can provide.

In large part as a result of the Personal Responsibility and Work Opportunity and Reconciliation Act of 1996, California's welfare caseload fell by 32.8 percent from 2,581,948 to 1,735,103 between August of that year and June 1999. However, there is compelling evidence that relatively few of the adults leaving welfare were adequately prepared to enter the workforce.

A national study of more than 30,000 welfare recipients found that after six months of work, the average earnings of a worker amounted to just 65 percent of the poverty level for a family of three.[5] Other major national studies by the Manpower Demonstration Research Corporation (MDRC) and the U.S. General Accounting Office

[4] David Gruber and Brandon Roberts, "Workforce Development Opportunities and Challenges: A Report to the James Irvine Foundation," August 14, 2000.

[5] Welfare and Child Support Research and Training Group, School of Social Work, University of Maryland - Baltimore, "Life After Welfare: Fourth Interim Report." Family Investment Administration, Maryland Department of Human Resources, October 1999.

"Californians — particularly those making the transition from welfare to work — should be offered a ladder they can use to climb from low-paying work to jobs with a future."

(GAO) have found similar results in limited sustained earnings for former welfare recipients. [6]

The same phenomenon is occuring in California. A Public Policy Institute study of the state's welfare-to-work participants found 70 percent did not earn enough to lift a family of three out of poverty.[7] Michael Bernick, director of California's Employment Development Department, points to similar recent findings in his February 2001 paper, "The 'Working Poor' and America's Job Training System."

However, people seeking to leave welfare need not be doomed to a treadmill of low-wage, dead-end jobs. The Los Angeles Economic Roundtable, a policy research organization, tracked the earnings of nearly 100,000 Los Angeles County welfare recipients who entered the workforce between 1990 and 1997. Though the study found that more than 80 percent had annual earnings that averaged either below or near the poverty level, nearly one in five were able to obtain employment that moved them significantly above the poverty level over a three-year period. What made the difference was the significant job skills or education these former welfare recipients brought to their job search.[8]

Norton Grubb of the University of California at Berkeley echoes this critical finding:

> *Virtually the only way to get low-income individuals out of poverty or off welfare is to get them into education programs, like the certificate and associate degree programs of community colleges that have prospects for enhancing earnings.*[9]

Ominously, as the national economy softens, there is disturbing evidence that those who have left public assistance are now rejoining the ranks of the unemployed.

The career training programs of California's community colleges should not guide low-income workers to a treadmill leaving them employed but struggling to simply "run in place." Instead, these Californians — particularly those making the transition from welfare to work — should be offered a ladder they can use to climb from low-paying work to jobs with a future. Building these ladders requires not only a reappraisal and reengineering of the training provided to wage earners prior to their joining the workforce, but also an ongoing commitment to enhancing their skills after they have become part of it.[10]

[6] Manpower Demonstration Research Corporation, "Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce," June 2000; United States General Accounting Office, "Welfare Reform: States' Implementation Programs and Information on Former Recipients," May 1999.

[7] Hans P. Johnston and Sonya Tafoya, "The Basic Skills of Welfare Recipients: Implications for Welfare Reform," Public Policy Institute, April 1999.

[8] Los Angeles Economic Roundtable, "The Cage of Poverty," September 2000.

[9] Norton Grubb, "Learning to Work: The Case for Reintegrating Job Training and Education," Russell Sage Foundation, April 1996.

[10] David Gruber and Brandon Roberts, "Workforce Development Opportunities and Challenges: A Report to the James Irvine Foundation," August 14, 2000.

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Career Ladders

Much like a general whose strategy for winning future battles is based only on the last war, America's current approach to workforce development reflects the priorities of yesterday's economy. As previously noted, this "old economy" offered workers relatively simple, often numbingly repetitive jobs with few opportunities for career advancement. To staff these workplaces, businesses could afford to be less concerned with prospective employees' education than with their personality or physical stamina. The relative simplicity of assembly line jobs even caused many employers to dissuade better-educated applicants who, they reasoned, would quickly become bored by factory work.

As discussed, the demands of today's economy are far different. In 1950, 60 percent of jobs were classified as unskilled; today fewer than 15 percent require only low skills or none at all.[11] The industries of the new economy now embrace more flexible production techniques. In these workplaces, innovation and knowledge are as essential to success as capital. Concomitantly, the need for workers with a strong back has been replaced by a demand for workers with a keen mind: workers who can learn new skills, collect and assess information and participate in making workplace decisions rather than simply carrying them out.

The need to cultivate the skills necessary to succeed in these workplaces demands new strategies in worker training. Though essential, it is no longer enough to promote literacy and math skills or to train workers to prepare better resumes or even to operate a computer. To succeed in the new economy workers must do more than find a *job*; they must gain the skills that enable them to build a *career*. To meet this need, many educators and policy experts have joined the call for *career ladders* — long-term career progression pathways to help individuals advance, particularly in high wage, high growth careers. As Norton Grubb puts it:

> *The trick to creating an overall education and job training system from the two currently disjointed systems is to fashion these links systematically, in "ladders" of education and training opportunities that can move individuals from their existing levels of accomplishment to higher levels at which they prepare for jobs of increasing skill, earnings, and stability . . .. [12]*

> *A coherent system requires all programs to be linked into a series of sequential education and training-related activities that individuals can use to progress from relatively low levels of skill (and relatively unskilled and poorly paid work) to higher levels of skills and (presumably) more demanding, better-paid, and more stable occupations.[13]*

"To succeed in the new economy workers must do more than find a job; *they must gain the skills that enable them to build a* career."

[11] J.D. Hoye and Steven Tegger, "School to Work Systems: Redesigning U.S. Education for the 21st Century," National Policy Association, 1998.

[12] *Ibid.* p.6

[13] *Ibid.* p. 6.

"Career ladders are not a training program or model, but rather a system for organizing and delivering career education on a lifelong basis."

Career ladders are not a training program or model, but rather a system for organizing and delivering career education on a lifelong basis. Unlike traditional training programs targeted to a particular population or job, career ladders are based on the belief that training and work opportunities must be geared to individuals at all levels of skills, readiness and experience. This approach recognizes that as workers change jobs more frequently, they will need to access ladders at different times over the course of their working lives. These ladders, in turn, could lead workers to multiple career options.

Implicit in the ladders metaphor is the recognition of a lattice-like relationship between career opportunities and the education and training necessary to take advantage of them. However, to be truly effective, career ladders must not only allow workers to climb "up" within a given field, but also diagonally and horizontally into new careers as needed.

The greatest strength of the career ladders approach is its flexibility. For example, to serve welfare recipients and others outside the labor market entirely, career ladders can provide the full spectrum of education, skills development and social supports necessary to succeed. For the unemployed and those with a relatively low skill level, a career ladders approach can respond to their need for remedial education and skills preparation necessary to joining the world of work and launching new careers. For others who are currently employed, career ladders can provide regular opportunities for additional education and training, and access to the other resources necessary to upgrade skills and advance their careers. This is particularly critical for older workers.

Californians are no strangers to career ladders. Today a wide range of workforce development efforts have embraced aspects of this more holistic approach to job training, placement and lifelong educations. In San Francisco, for example, Glide Tech offers training and job matching services to help move low-income workers in the Tenderloin area into good-paying careers in information technologies. In Watsonville, after its acquisition of a home health agency, Watsonville Community Hospital offered training and tuition reimbursement for hospital nurse aides to receive certification to become home health aides. Meanwhile, in Los Angeles, the Service Employees International Union has developed a program with city officials to train part-time employees, including welfare recipients, for full-time civil service jobs.

While these and other efforts demonstrate the value of this new approach, none are able to offer the comprehensive range of services on the scale required to significantly impact California's economic future. Achieving that requires the sponsorship of a statewide educational institution that is also decentralized, responsive to local business and community concerns and already successfully engaged in worker training. Luckily, this institution already exists: it is California's community colleges.

Community Colleges and Career Ladders

California's community colleges offer a unique set of assets in developing career ladders. Their location, relationship with the communities they serve, and expertise in providing remedial education, skills training and lifelong learning opportunities are unmatched. These attributes, in turn, would enable a community college-based career ladder system to adopt a strategic approach to workforce development: focusing on those fastest growing sectors of California's economy that offer the greatest potential for the creation of high-wage employ-

ment. Among the industries deserving special attention are health care and information technology.

This strategic approach to workforce development requires a seamless system of classroom instruction, career development resources and workplace training. It would include traditional career counseling as well as instruction in basic literacy and mathematics; entry-level job skills and work-based learning; and advanced training and general education. However, this is not where a career ladders system would end, but where it would begin. A community college-based career ladders system would also:

- Provide work-based learning, certificate programs, employer-funded training, and degree programs;
- Integrate classroom instruction and career skills with development resources to help students identify career options and goals;
- Combine work and learning to enable individuals to obtain needed skills while simultaneously pursuing work and career objectives;
- Offer lifelong education and training opportunities to enable workers to gain needed skills periodically over the course of their career.

"California's community colleges offer a unique set of assets in developing career ladders."

A career ladders system sharing these characteristics benefits every stakeholder in California's workforce development system.

For **students** hoping to succeed in a rapidly changing economic environment, career ladders can offer new and better defined opportunities for career selection and advancement. Career ladders can also help make higher education more valuable by providing a comprehensive foundation of both academic and vocational education.

For **employers** anxious to expand the availability of skilled workers, a career ladders system centered in California's community colleges creates a new opportunity to gain better qualified new employees while ensuring that current workers gain new skills that match their changing business needs.

For the **community**, a career ladders system based in their local community college provides students with a superior education by carefully weaving together often separate vocational and academic learning into a unified educational framework.

THE NEW ECONOMY AND CALIFORNIA'S WORKFORCE DEVELOPMENT SYSTEM: KEY OPERATING PRINCIPLES

As noted previously, the requirements and challenges of the new economy are not yet fully reflected in the workforce development system. The critical players in a unified system — employers, employment and training agencies and educational institutions such as community colleges — are too often separate with each pursuing individual programs and initiatives in isolation from one another.

The demands of the changing economy call for a unified approach to workforce preparation and career advancement. California's businesses and workers need a strategy that is:

- **FOUNDED ON CAREER LADDERS.** Success for Californians in today's economy depends on the availability of opportunities for workers to learn and advance from the day they enter the workforce to the day they retire. In place of short-term job training, the state's workforce development system needs to adopt long-term career ladders as a framework for economic and workforce development.
- **UNIVERSAL.** The current workforce and economic development system is based largely on programs targeting a single constituency: employers needing upgrade training for workers, current workers seeking upgrade training, or those entirely outside the system seeking an initial foothold. This separation is inefficient and wastes valuable resources.
- **SEAMLESS.** Employers, students, and workers all share a common need for one seamless system that provides opportunities to consider career options, acquire basic skills, and enter and advance in the workforce. California's system should offer career pathways that incorporate basic skills education and entry-level training for those outside the workforce or in low wage jobs; upgrade training for those seeking career advancement; and continually evolving and flexible education and training to meet the needs of the state's employers.
- **REGIONAL.** Many current employment and economic development programs target the needs of a single community. With labor markets extending beyond city and county borders, California's workforce development system needs to meet broader regional needs. Career ladders should reflect this larger market and bring together employers and training institutions throughout the region.
- **STRATEGIC.** Today's training programs are frequently developed in isolation from employer requirements and economic needs. Instead, career ladder programs should be shaped through a strategic partnership between employers and the workforce training system that anticipates what skills will be needed in the future. The system should be responsive to labor market and industry demands while also reflecting employer-set standards and criteria for entry-level and incumbent workers.
- **COLLABORATIVE.** A system built on career ladders is well beyond the scope and capacity of any single institution now involved in workforce development. Meeting the needs and demands of California's new economy will require a true partnership among employers, community colleges, other education and training institutions, community organizations, Workforce Investment Boards and social service providers.

Clearly, the creation of a successful career ladders system will require significant investment and the integration of funding sources that now support separate, sometimes competing, workforce and economic development systems. Though now largely separate, these funding sources should promote development of a single unified system that will meet the common need for better and more successful education and training — and ensure the most sensible and efficient use of resources.

A Unique Opportunity for Action

Creating a career ladders system will require new kinds of partnerships among employers, workforce development agencies, community colleges and community organizations. The scope of this challenge cannot be minimized. In California, and throughout the nation, workforce and economic development programs and resources are accustomed to operating independently from one another with individual objectives, regulations, target populations and methods.

It is time to look beyond separate programs and instead create a single, unified system that reflects California's new economy. To support growth in key economic sectors, such as healthcare or information technology, there is both a need and opportunity for new partnerships that bring together what are now isolated agencies and institutions.

The growth in the information technology sector, for example, has created an opportunity for new regional partnerships that build on the labor needs of employers, the expertise and knowledge of industry associations, the education and training capacity of community colleges, the financial resources of workforce agencies, and the neighborhood ties of community-based organizations. Working together, these institutions can create a career ladders system that extends from disadvantaged communities to entry-level jobs and, ultimately, to more advanced, higher-paying positions.

"It is time to look beyond separate programs and instead create a single, unified system that reflects California's new economy."

There is growing evidence that the new economy is making these kinds of partnerships more feasible. Economic development agencies and Workforce Investment Boards are beginning to reflect the need for skills development by advocating programs that foster more advanced training tied to employer needs. Even the welfare system has begun to craft programs that focus on longer-term and more extensive skills development.

How would a community college-based career ladders system work? Experience suggests a complementary role for each partner in its development:

- Employers and regional economic development agencies can define labor market demands, anticipate future needs and set training standards;
- Workforce development agencies, including Workforce Investment Boards and county welfare agencies, can serve as a system gateway and provide financial and other resources.
- Community and local organizations, as the entities closest to the neighborhood, can serve as referral sources and training sites.
- Community colleges, as the state's training infrastructure, can develop and deliver training and education that meets the needs of all other partners. In this role, community colleges are the natural catalyst, regionally and statewide, for building career ladders.

"The decline in the welfare rolls has created a large pool of potential investment dedicated to promoting the economic security of current and former welfare recipients."

Creation of a regional career ladders framework also brings with it new opportunities to link diverse resources and funding in order to achieve more seamless operations, greater efficiencies and new economies of scale. Many of these sources already support training that complements or is a component of career ladders strategies. For example, Workforce Investment Act (WIA) funding supports job training with a goal of higher wage employment. The California Community Colleges ED>Net program funds new and innovative partnerships, based on career sectors, between employers and community colleges. The Employment Training Panel (ETP) includes new funding guidelines specifically intended to support career ladders. At a minimum these resources, and basic educational and instructional support funding, can be directed toward new career ladders initiatives.

A particularly large and important potential resource is the Temporary Assistance for Needy Families (TANF) funding stream that underwrites the welfare system. In California, as in many states, the decline in the welfare rolls has created a large pool of potential investment dedicated to promoting the economic security of current and former welfare recipients. With clear evidence that most welfare recipients placed in entry-level jobs have either remained on a treadmill of low wages or become unemployed, there is new interest in redeploying a significant portion of these resources for career progression opportunities. Washington State, for example, has dedicated some TANF funding specifically to the creation of career ladders. In California, where most of this funding is under county control, there is great potential to invest a portion of these resources, linked to the other funding described above, in building new career ladders for people seeking to become economically self-sufficient.

The Centrality of Community Colleges

As noted earlier, creating this new alliance between employers, educators, social service providers and workforce development agencies points up a clear need for an institution that can serve as the focal point of a regional career ladders system.

Community colleges are ideally suited to fill this role throughout California. As Assembly Speaker Robert Hertzberg has noted, California's community colleges are "the classrooms of the new economy." Community colleges today have a presence in every region of the state and provide "one stop shopping" where employers, current workers and those entirely outside the system can join together to meet their needs. Community colleges serve Californians who are struggling to make the difficult transition from welfare to work. Community colleges are also California's chief training provider to business and the leading education provider to adults.

As California crafts a unified career ladders system out of separate and often fragmented programs, community colleges are the natural linchpin. Recent history provides ample evidence why. In 1998, for example, California's community colleges initiated a systems approach to serving welfare recipients with the $65 million CalWORKs program. These resources, allocated to community colleges to help recipients move from public assistance to self-sufficiency, allowed for the introduction of a holistic approach to student services and instruction while providing direct work experiences allowing students to apply what they had learned. Those successful efforts have already built the initial "rungs" of a career ladders system for all students.

As noted, California's community colleges also share other unique attributes:

SCALE. California's 108 community colleges are the largest system of higher education in the world, serving 2.5 million students with a projected growth of several hundred thousand students each year. No other training entity comes close to matching the system in size, scope, and range of training and support services.

COMPREHENSIVENESS. Workforce development requires an institution that can embrace a wide variety of missions, such as:

- Offering the basic education in literacy and mathematics required by low-skill workers;
- Offering the short-term customized training needed by individual employers;
- Offering the longer-term vocational training necessary to advance in most industries; and
- Offering the broad academic education required for economic self-sufficiency, rich lives and productive citizenship.

"Community colleges serve California's entire population, mirroring the diversity of the state as a whole."

Community colleges already undertake a critical range of missions that are building blocks for this career ladders system:

- Preparing low-skilled students to perform in an academic environment;
- Providing academic training and degrees leading to continuing education at four-year institutions; and
- Offering both short-term training and longer-term vocational education leading to employment and career progression.

Community colleges are the only institution in our state filling each of these roles and providing the support services necessary to succeed in these multiple missions.

ACCESSIBILITY. Community colleges are local institutions that are open and easily accessible to all residents. This is seldom true of other employment and training providers. For example, while community-based organizations are often the most accessible institutions for reaching under served populations, they are often limited to a single neighborhood or constituency. Community colleges serve California's entire population and mirror the diversity of the state as a whole.

Similarly, private institutions may offer a comparable range of training, but at a cost often out of reach to many. Community colleges, by contrast, serve all in the community, offering an affordable training opportunity at $11 a credit (with financial aid also available). To make themselves even more accessible, community colleges also offer training at various locations in communities, often in partnership with community-based organizations or businesses. Credits earned are transferable and can provide students access to any of the state's 108 community colleges, as well as the rest of California's higher education system. No other institution can offer this kind of gateway to education and career development.

CAPACITY. Institutions that seek to meet the training needs of industry must have the capacity to bring together facilities, needed technology and staff. Few institutions can match the combination of a ready pool of instructional staff, dedicated funding and the ability to offer the hundreds of courses that community colleges can provide. For large employers with complex

training needs, community colleges are, as one auto industry official noted, "the natural provider."[14]

CONTINUITY. Today, business leaders and workforce development specialists agree that lifelong learning must be the backbone of an effective education and training system. As permanent institutions with the mission of delivering education and training, community colleges offer an enduring presence, accessible to both employers and students on an ongoing basis, and linking high schools and four-year institutions. In this respect, community colleges are well-positioned to help workers upgrade their skills so they can become not the victims of economic change, but its beneficiaries.

CREDIBILITY. Community colleges often serve as a concrete representation of regional identity—a place where families come not only to meet their educational needs, but for social and support services, discussions, employment, entertainment and information. Thus, community colleges enjoy the public trust and support necessary to promote new approaches to workforce development among, employers, residents and other stakeholders.

SUPPORT SERVICES. To fulfill their new mission of preparing Californians for the workplace of the new economy, an array of services beyond education and training will be required. Assessment, guidance, tutoring, childcare, career counseling and other services are all indispensable to ensuring full access to career ladders. Community colleges already offer many of these services on campus for all students, as well as supplemental services for welfare recipients, the physically challenged and other students with special needs.

RESOURCES. Unlike institutions that must compete for discretionary funds, community colleges have a permanent and continuing funding stream, ensuring their ability to be a permanent focal point in a career ladders system. In addition to ongoing state support, community colleges also are a designated recipient of federal, local and discretionary funds and technical assistance, enabling them to improve facilities and curriculum. While overall resources are currently inadequate to fully meet the needs of a growing population and rapidly changing economy, they offer an unparalleled starting point.

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CONTINUING EDUCATION. Training for workplace needs is only a part of lifelong learning. For many adults who have left the education system prior to receiving a college degree, community colleges can offer access to higher education and a host of degree-granting programs. The mission of the California Community Colleges includes the provision of general education and liberal arts curricula along with vocational preparation in both certificate and degree programs. As both remedial and transfer institutions, community colleges are in a unique position to offer the needed career development resources, basic skills, academic counseling and transitional connections to other educational institutions to help adults succeed throughout the post-secondary system.

[14] David Gruber and Julian Alssid, "We're Education, You're Semi-Conductors," *Working Ventures*, 1999.

"The success of career ladders depends on the ability of each community college to craft strategic partnerships with employers to better anticipate future skills needs."

New Opportunities, New Challenges

Fully realizing the potential of community colleges to serve as the foundation for a career ladders system requires addressing a number of major challenges at every level. First and foremost is the need for a concerted effort to develop a common vision throughout the state community college system. This is a particular challenge given that California's current system of economic development, workforce development and social support agencies is often fragmented and disconnected. Successfully implementing a career ladders strategy will require not only the support of the Chancellor's office and the community college system, but also the participation, commitment and input of many state and regional agencies. This requires a fundamental change in the culture of the workforce development community.

Similarly, community colleges will also need to overcome aspects of their own culture. For example, many of the components of a career ladders system are now divided among academic, vocational, support services, contract and workforce development structures and programs at many local community colleges. In a system where scarce funding is now focused simply on maintaining existing programs, there is a need for new investments to support community colleges in expanding their offerings and integrating these complementary, but often separate, areas of responsibility into a single framework.

Implementation of effective career ladders strategies will also require an effective program of continuing professional development for administrators, faculty and staff. This should involve:

- Identifying "best practices" in instructional and career development resources;
- Ensuring that students progress smoothly through the community colleges, whether they enter the system through noncredit and basic skills or at other points in their career ladders; and
- Continuously reviewing and revising programs, curriculum and instruction to better integrate academic, vocational and workforce education.

Many community colleges are also isolated from the resources and programs of the larger employment and training system, including Workforce Investment Boards, welfare departments and economic development agencies. Community colleges will need to work closely with these stakeholders to successfully develop career ladders and new regional training opportunities.

In a similar vein, while many community colleges have developed effective relationships with regional employers, others need to strengthen their ties to the business community. The success of a career ladders system depends on the ability of each community college to craft strategic partnerships with employers to better anticipate future skills needs. In this regard, the creation of successful career ladders will require a better understanding of the regional labor market, an increased focus on employer needs and standards, and increased opportunities for employer involvement in program development and design.

Recommendations for a Systems Approach to Career Ladders

To implement career ladders, California's community colleges must develop a comprehensive systems approach. While recognizing that California's economies are regional, and that local flexibility is critical, to be successful the system must use the operating principles previously described as a framework for its workforce development efforts. Thus, the system will be focused on career ladders, universal in its approach, regionally-oriented, strategically linked to current and anticipated future employer demands, collaborative with all stakeholders, and based on coordinated use of resources with other entities. Implementation of this systems approach will address the challenges noted previously and include six essential components.

1) Allocate Resources to Promote the Career Ladders Approach

When any large organization embraces a new program there is often a temptation to "graft" it onto their existing structure. The success of career ladders depends less on the creation of new institutional infrastructure than on the integration of existing services. In this regard requests for the community college system's competitively distributed resources must reflect a commitment to resource integration. The community college system should support proposals that are:

- Based on a career ladders framework, offering integrated career development resources, academic and vocational education, and opportunities for continuing and lifelong learning;
- Developed in a strategic collaboration with employers according to their anticipated employment and skills needs;
- Linked to regional economic needs and high wage, high demand career sectors;
- Accessible to a broad spectrum of individuals including students, incumbent workers and those now outside the workforce;
- Developed in collaboration with regional workforce and training agencies, including Workforce Investment Boards and welfare departments, and involving the integration of regional resources;

"When any large organization embraces a new program there is often a temptation to 'graft' it onto their existing structure. The success of career ladders depends less on the creation of new institutional infrastructure than on the integration of existing services."

- Based on integration of system resources and activities, including TANF, Economic Development Program, CalWORKs, VTEA and other appropriate sources;
- Developed through broad-based institutional discussions including appropriate consultation with counseling and discipline faculty.

2) Provide Needed Strategic Assistance

Recognizing that the career ladders strategy will require significant new approaches to planning, program development and implementation, the Chancellor's office must develop the capacity to provide significant levels of strategic assistance to the system and local community colleges.

Strategic assistance should be delivered through one or more teams at the system level and under the authority of the Chancellor's Office and the Board of Governors. The team(s) should include, as appropriate, representatives from other state agencies such as the Employment Development Department (EDD) and the Technology, Trade and Commerce Agency. Experts in best practices from the community colleges, including Academic Senate-appointed faculty with expertise in this area, should also be involved.

The strategic assistance team(s) should work with the Chancellor's Office and colleges in planning and implementing career ladders. They would devote particular attention to:

- Convening community colleges and projects in order to identify and then spread best practices across the system;
- Encouraging innovative collaborations among community colleges and employers to identify future employment and skills needs;
- Identifying opportunities for community colleges to pursue regional career ladder initiatives through collaboration with economic development agencies, Workforce Investment Boards, county welfare departments and other regional entities;
- Assisting community colleges, as appropriate, in developing career ladder strategies and structures that integrate local and regional efforts in economic development, workforce development, academic and vocational training;
- Identifying needs and opportunities for state or regional professional development linked to implementation of career ladders;
- Identifying opportunities for collaboration with workforce and economic development agencies at the state level.

California's foundation community has already expressed strong interest in improving the capacity of community colleges to develop and implement career ladders. In that regard, the Chancellor's Office and Board of Governors must seek financial support from the foundation community in implementing a technical assistance effort.

3) Develop Uniform Performance Measures

To promote the successful development of career ladders it is essential that the Chancellor's Office develop common performance measures that build on the key operating principles described above. These performance measurements would build on existing data and focus at three levels:

- **Individual:** Performance standards must assess the impact of career ladders training by measuring course completion, placement, wage progression, and the link between the career pathways of individuals and actual employment. This might include a sample longitudinal study to assess the impact of career ladders programs among randomly selected participants.
- **Community College:** Performance standards must assess the infrastructure improvements community colleges make to implement career ladders, such as developing sector-specific career programs; developing contextualized and integrated curricula;

"Creation of this fund will also enable California's community colleges to 'leverage' additional funding from a variety of sources that are currently unavailable to the system."

integrating economic and workforce development strategies, programs, and career development resources; and developing needed professional assistance and training. In addition, measures should assess demand and enrollment in career ladders programs, costs, course completion and job placement.

- SYSTEM: Performance standards must assess the extent to which colleges have developed or participate in a regional approach to planning, developing and implementing career ladders. Measures should include whether colleges develop a regional plan or strategy for career ladders; develop partnerships with key workforce and economic development entities; and integrate funding with WIA, TANF and other regional sources of support.

4) Create an Innovation Fund

To develop regional career ladder initiatives, colleges need additional resources both to build overall capacity and to establish prototype career ladder models that the system as a whole can emulate. Thus, the state should create an Innovation Fund that will support community colleges in planning and developing career ladders initiatives that are regional, universal and collaborative; that both reflect and anticipate employer demand; and that present opportunities to build a regional resource base linking workforce, welfare and economic development funds with community college resources. It is crucial to point out that creation of this fund will also enable California's community colleges to "leverage" additional funding from a variety of sources that are currently unavailable to the system.

The Innovation Fund should support three types of initiatives: bringing model practices to regional and statewide scale, building capacity for expanded and new best practices in colleges, and supporting existing successful practices. These are described below.

Statewide Demonstration of High Wage, High Demand Career Ladders

California has determined there is a statewide need for skilled workers in high demand sectors such as health care and information technology, and the state has appropriated funds through other agencies to encourage training pathways in these areas. The Innovation Fund would target these sectors as an opportunity to demonstrate career ladders on a large-scale, statewide basis, in industries that reflect both significant potential for career progression and widespread demand.

Specifically, the fund would invest supplemental resources to help develop and sustain regional career ladders in health care and information technology. Funding would support community colleges that:

- Provide a continuum of career development resources and education beginning with basic skills and extending through upgrade training;
- Serve a full spectrum of individuals at all stages of career development;
- Develop a regional collaboration, partnering with workforce and community organizations; and
- Demonstrate a significant commitment by external regional funding sources to support program development and operation.

Community College Capacity Building

Developing career ladders systems will impose significant costs on community colleges already pressed to maintain current programs. The Innovation Fund would provide resources to colleges to develop their internal and external capacity to plan, deliver and sustain career ladders systems that meet the operating principles described in this report. Funding, directed to individual community college areas of need, would support a variety of activities including:

- Conducting professional development for administrators, faculty and staff;
- Improving pedagogy, through measures such as development of integrated and contextualized learning;
- Supporting "best practices" that integrate career development, vocational and academic education, including learning communities and instructional centers;
- Hiring or assigning appropriate faculty and staff to develop and expand career ladders strategies; and
- Researching labor market needs and long-term strategies to meet them.

Current Community College Best Practices

Some community colleges have already taken leadership in promoting career ladders systems and have developed model practices that can be readily implemented by others. These include replicable career ladders structures and the other areas described above: professional development, pedagogical improvements, integration of vocational and academic education, labor market research and other approaches. The Innovation Fund would assist those colleges in continuing and expanding those best practices.

5) Craft a Collaboration Action Plan

The California Community Colleges would immediately establish an action plan to consult and collaborate with other key agencies and organizations engaged in workforce development. That plan should include identifying foundations that may be interested in this work and leveraging needed new investments in career ladders initiatives from all potential sources, private and public, for-profit and non-profit.

6) Develop a Comprehensive Implementation Plan for the Career Ladders Initiative

The Board of Governors would develop a detailed implementation plan for its career ladders initiative in the coming months. That work will address each of the components noted above.

Conclusion: Building California's New Workforce

Implementing a unified career ladders workforce development system, with California's community colleges at its core, offers the best promise to meet our state's need for skilled workers and guaranteeing California's continued economic leadership in the nation and the world.

Through a process of skills training and lifelong education workers who might otherwise be left behind will be able to move up the career ladder to rewarding and fulfilling employment. Simultaneously, California's most innovative industries will gain the competitive edge that can only come with a workforce whose knowledge-based skills, critical thinking, flexibility and adaptability are second to none. In an era where the competition between states for new business investment promises to become even more rigorous, career ladders are a vital tool to promote California's economic growth.

Achieving the goal of an innovative, unified career ladders system will require a reengineering in our approach to workforce development. It demands that we challenge obsolete assumptions, overcome barriers to cooperation, and launch an unprecedented redeployment of our job training resources. The stakes involved require nothing less.
The prosperity of millions of our state's workers and entrepreneurs hang in the balance and, with it, California's economic future.

"A unified career ladders workforce development system, with California's community colleges at its core, offers the best promise to meet our state's need for skilled workers."

BOARD OF GOVERNORS
Committee on Economic Development
and Vocational Education

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